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Meeting Minutes 09/27/2006

ARLINGTON FINANCE COMMITTEE
 MINUTES OF MEETING
 7:30 PM O'NEILL ROOM COMMUNITY SAFETY BUILDING
 9/27/06

ATTENDEES:

McGaffigan*	Fey*	Dunn	O'Neill*	Mahoney
DeCoursey*	Connors*	Simmons*	Bayer*	
Tosti*	Foskett*	Deyst*	Ronan	
Ferrara	Franclemont*	Jones*	Olsen*	
DuBois*	Howard*	Fanning*	Carman*	Kneeland*

Indicates present

VISITORS: Town Manager Brian Sullivan, Deputy Town Manager Nancy Galkowski

5 YEAR PLAN: Sullivan reviewed an updated 5 year plan using a handout. This plan goes through FY2012. He expects the override funds to last through 2010 as promised to the voters. He projects a deficit in 2011, assuming level service, of almost \$4m. This is about \$900k worse than last winter's projection. Much of this is caused by the delay in the Symmes project & the scaling back of that project. No income from the Symmes project other than permit fees were included in this projection. Members asked many questions but did not question the assumptions on which the plan was based. The FY06 health care expense was under budget. Still only 1 union has settled for FY07. Sullivan was requested to maintain a historical spread sheet in a similar format.

SYMME: Foskett reviewed the situation. Though the developer settled the suit last winter, the plaintiffs went back to the court claiming that the developer was violating the agreement. The developer is still making principal payments. The scaled back project may cost the Town \$1m to \$2m in annual finance payments.

ELECTIONS: Kneeland conducted elections for the 2006-2007 year. The current officers were reelected by unanimous voice vote. Chair Alan Tosti; Vice Chairs Dick Fanning, Charlie Foskett & Alan Jones; Secretary Pete Howard.

SCHOOLS: Fanning provided a handout from the Superintendent which summarizes the effect of the revised State school construction aid rules on Arlington. The reimbursement decision for Thompson will be delayed at least 2 years and for Stratton at least 10 years. Were the Town to continue the building program as planned it would have to carry perhaps \$2m/yr in debt service.

RISKS FACING ARLINGTON: A school construction debt exclusion. Peirce Fields overrun. Symmes deal collapse. Unfunded pension liability.

MINUTEMAN TECH: DeCoursey reported that the State transportation reimbursement increased to 80% from the budgeted 64%. This may affect this year's assessment.

TRANSFER REQUESTS AT BREAKUP DINNER: Olsen, using a handout, proposed that deadlines be established for final transfers from the Reserve Fund so that they can be considered at a regular meeting. VOTED that preliminary year end transfers be received by 5/1 & final transfers by 6/1. The Chair will craft a policy statement consistent with this vote.

RESERVE FUND BUDGET: Tosti suggested that this budget be increased to \$400k because general tightening of department budgets leaves less cushion for unexpected events. He noted that too large an increase might decrease the pressure on department heads to manage efficiently. Foskett suggested that if Reserve Fund monies were carried over, the size of the annual appropriation could be kept smaller. He will consult the Comptroller about legality of this suggestion.

FIRE DEPARTMENT OVERTIME: O'Neill, using a handout, reviewed a breakdown of overtime causes in July & Aug 06. In those 2 months half the annual \$246k budget was expended. Of this, a third was spent on sick leave and another 13% on personal days. FinCom members felt that this was out of line. Tosti & O'Neill will discuss w/ the manager.

COMMITTEE: The chair recognized Bayer for his perfect attendance in 2005-2006.

The FinCom observed a minute of silence in honor of former member Mac Fraser.

The annual meeting of the AFTC will be held 10/28 in the Westford Regency Hotel. Kneeland will make reservations.

RESERVE FUND BALANCE: \$350,000

Peter B Howard Secretary 9/29/06 Revised 10/17/06

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